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TO AMEMBASSY CAIRO IMMEDIATE

AMEMBASSY DAMASCUS IMMEDIATE

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AMEMBASSY BEIRUT IMMEDIATE

AMEMBASSY MOSCOW IMMEDIATE

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NODIS

FOR ASSISTANT SECRETARY ATHERTON FROM PICKERING

E.O. 11652: XGDS-2

TAGS: PINT, PINR, EG, IS, XF

SUBJECT:COMMENTS ON A SEPARATE PEACE

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SUMMARY AND CONCLUSION: FOR A NUMBER OF PERSUASIVE, EVEN IF RATHER HOARY REASONS LISTED BELOW, WE BELIEVE A SEPARATE AGREEMENT POSES MORE SEVERE DANGERS FOR THE UNITED STATES OVER THE LONG TERM THAN REFTTEL POINTS OUT. THESE INCLUDE A GROWING RADICALIZATION IN PART OF THE ARAB WORLD, INCREASED DANGERS TO OUR MODERATE FRIENDS--EGYPT, JORDAN, AND SAUDI ARABIA-- NEW OPENINGS FOR THE SOVIETS IN WHICH TO MEDDLE AND DISRUPT, AND SIGNIFICANT LONG-TERM DANGERS TO ISRAEL WITH UNRECONCILED ARABS AND A BADLY MISSED OPPORTUNITY FOR A COMPREHENSIVE PEACE. THE ARABS WILL SEE CLEARLY

TOO THAT THE RESPONSIBILITY IS PLACED AS MUCH AT OUR DOOR AS ANYONE ELSE'S. WE WOULD HAVE FAILED, IN EFFECT, TO GET ISRAEL TO RESPOND POSITIVELY ENOUGH TO SADAT'S INITIATIVE TO BRING THE PALESTINIANS, THE SYRIANS AND THE JORDANIANS TO THE PEACE TABLE. THE ISSUE HAS GREAT SIGNIFICANCE FOR US AND WE SEE REAL DANGERS IN BEGINNING TO SLIDE INTO THE EASIEST PATH OF A SEPARATE PEACE WITHOUT WEIGHING MOST CAREFULLY THE CONSEQUENCES. END SUMMARY AND CONCLUSION

1. WE FIND REFTEL PROVOCATIVE AND INTERESTING. WE DISAGREE WITH AND ARE TROUBLED BY SOME OF ITS ASSUMPTIONS AND PARTICULARLY BY ITS CONCLUSION THAT A SEPARATE EGYPTIAN-ISRAELI PEACE IS AN ACCEPTABLE RISK FOR U.S. INTERESTS.

2. WE TOO HAVE RE-EXAMINED THE CONVENTIONAL WISDOM ABOUT A SEPARATE AGREEMENT. RATHER THAN LOOKING AT THE MATTER IN TERMS OF SADAT'S SURVIVAL, WHICH WE AGREE IS VITALLY IMPORTANT, WE TEND TO LOOK AT THE EFFECTS OF SUCH AN AGREEMENT ON THE AREA AS A WHOLE AND OUR OWN BROADER INTERESTS IN THE AREA, ITS STABILITY, ON
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ISRAEL, ON ECONOMIC FACTORS OF VITAL INTEREST TO US AND ON THE SOVIET ROLE AND POSTURE. AFTER SOME IN-DEPTH SOUL-SEARCHING WE ARE STRUCK BY THE FACT THAT IN THE SHORTER TERM, IT IS POSSIBLE TO CONCLUDE THAT TACTICALLY AN EGYPTIAN-ISRAELI SEPARATE AGREEMENT WOULD BE EASIER FOR US. HOWEVER, IN THE LONGER TERM, WE CAN SEE THE GENERATION OF SUCH A NUMBER OF SIGNIFICANT CONSEQUENCES THAT WE FIND IT DIFFICULT TO CONCLUDE THAT A SEPARATE AGREEMENT WOULD BE VERY MUCH BETTER FOR US IN THE AREA OR THE WORLD THAN THE RESULTS OF TWO OTHER POSSIBLE ALTERNATIVES: (A) REFUSAL OF THE U.S. TO CONTINUE TO SHEPHERD THE PEACE PROCESS WITH THE RESULT THAT IT GETS NOWHERE, AND (B) THE FAILURE, ONCE STARTED AT GENEVA OR ELSEWHERE, OF THE PEACE PROCESS (ASSUMING OUR ACTIVE PARTICIPATION) TO PRODUCE ANY USEFUL RESULT.

3. THIS CABLE ADDRESSES TWO SEPARATE ASPECTS. SINCE WE DISAGREE STRONGLY WITH THE BASIC WEIGHTING AND STATEMENT OF THE POSITIVE AND NEGATIVE FACTORS INVOLVED IN A SEPARATE PEACE OVER THE LONGER TERM (REFTEL3), WE WANT TO RESTATE THESE AS WE SEE THEM. SINCE THERE ARE NUMEROUS ASSUMPTIONS AND STATEMENTS IN THE BASIC PAPER ON WHICH WE HAVE A COMMENT IN TERMS OF DETAIL, NUANCE, OR GENERAL IMPACT, WE WANT ALSO TO EXAMINE THE BASIC DOCUMENT AND COMMENT ON IT AT SOME LENGTH.

4. ONE GENERAL WEAKNESS WHICH WE SEE IN THE PAPER, PERHAPS INVOLVED IN ITS BASIC ASSUMPTIONS, IS THAT IT FAILS TO PLACE AGAINST ONE ANOTHER THE REAL ALTERNATIVES WITH WHICH WE ARE FACED. WE SEE THREE MAJOR POSSIBILITIES: (A) WE CAN SUPPORT, ALBEIT AFTER TRYING PARTIALLY TO EXHAUST SOME OF THE OTHER POSSIBILITIES, A SEPARATE EGYPTIAN-ISRAELI PEACE SETTLEMENT AS THE PAPER SUGGEST; (B) WE CAN
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OPPOSE, OR AT LEAST NOT SUPPORT, SUCH A SETTLEMENT--NOWHERE ARE THE COSTS OF THIS CALCULATED-- WE BELIEVE THEY WOULD BE ENORMOUS, ESPECIALLY WITHIN THE UNITED STATES, EVEN WITH THE MOST CAREFULLY PREPARED PLAN AND EXPLANATIONS AT THE HIGHEST LEVELS; OR (C) WE CAN SUPPORT A REAL COMPREHENSIVE SOLUTION ALONG THE LINES WHICH THE PRESIDENT HAS OUTLINED, WHICH WILL REQUIRE ENORMOUS EFFORTS ON OUR PART, ESPECIALLY WITH THE ISRAELIS AND MOSTLY LIKELY NOW AT A TIME AND PLACE NOT OF OUR, BUT OF SADAT'S OWN CHOOSING. SUCH EFFORTS WOULD ALSO TAKE PLACE IN A SCENARIO WHICH DOES NOT AFFORD US THE USE OF COMPREHENSIVE NEGOTIATIONS AS A WAY TO NARROW THE DIFFERENCES AND CONVINCE OUR PUBLIC OF THE CORRECTNESS OF THE SOLUTIONS TOWARD WHICH ALL OBSERVERS HAVE CONSISTENTLY THOUGHT WE WOULD HAVE TO BULLDOZE THE ISRAELIS AND THE ARABS. ANOTHER POSSIBILITY EXISTS: USE THE PRESENT PHASE OF THE PROBLEM TO DEVELOP FURTHER WAYS TO OVERCOME THE PROCEDURAL HURDLES, PUSH THE ISRAELIS AS HARD AS CIRCUMSTANCES NOW ALLOW TO DO SOMETHING ON THE WEST BANK/GAZA AND GOLAN (PERHAPS A DECLARATION THAT TERRITORY AND SECURITY ARE NOT SYNONYMOUS) AND LET SADAT WORK OUT THE BASIC SEPARATE AGREEMENT WITH ISRAEL WHICH HE WOULD PRESENT TO THE ARABS ON THE BASIS THAT HE WOULD NOT PUT IT INTO EFFECT IF THEY MOVED AHEAD INTO NEGOTIATIONS WITH THE ISRAELIS, IN WHICH CASE HE WOULD LEND HIS FULL EIGHT TO THEIR NEGOTIATIONS.

5. A SEPARATE EGYPT-ISRAEL AGREEMENT (PROS AND CONS):

IN FAVOR:

(A) ISRAEL WOULD HAVE ACHIEVED AN INITIAL PEACE
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SETTLEMENT WITH THE MOST POWERFUL ARAB STATE, AND THE LONG SOUGHT AFTER DESIRE OF NEGOTIATING WITH THE ARABS SEPARATELY. EGYPT WOULD BE FURTHER REMOVED FROM ELECTING THE WAR OPTION WITH ITS ARAB COLLEAGUES. THE ISRAELIS WOULD BE UNDER VASTLY REDUCED PRESSURE

TO CONCLUDE SOMETHING ON THE WEST BANK/GAZA AND THE GOLAN, CLEARLY UNPALATABLE TO MANY IN THE MAINSTREAM OF ISRAELI POLICY PLANNING. ISRAEL WOULD HAVE AN OPPORTUNITY TO TEST THE GOOD BEHAVIOR AND TRUST OF ONE ARAB STATE IN EXECUTING THE PEACE PROCESS WHILE KEEPING THE OCCUPIED TERRITORY MOST VITAL TO IT.

(B) EGYPT WOULD HAVE ENDED ITS DISPUTE WITH ISRAEL, PRESUMABLY ON A TERRITORIAL BASIS SATISFACTORY TO CAIRO. EGYPT WOULD NO LONGER HAVE TO CARRY THE MAJOR ECONOMIC BURDEN OF BEING READY FOR A WAR WITH ISRAEL ON ITS OWN BEHALF, OR ON BEHALF OF THE OTHER ARABS. THE OTHER ARABS WOULD EFFECTIVELY BE CUT OUT OF MEDDLING IN ITS EFFORTS TO FIND PEACE AND INTERNAL STABILITY. EGYPT WOULD BE FREED FROM THE BURDEN OF MAINTAINING LARGE ARMED FORCES AND TO DEVOTE ITS EFFORTS AND FUNDS TO ITS ECONOMIC PROBLEMS TO A LARGER DEGREE THAN AT PRESENT.

(C) THE U.S. WOULD NOT HAVE TO FACE THE SERIOUSLY DISRUPTIVE ISSUE OF EITHER OPPOSING PUBLICLY OR IN PRIVATE A SEPARATE AGREEMENT, NOR (WE PRESUME) WOULD IT BE CALLED UPON TO EXERT WHAT LEVERAGE IT MAY POSSESS NOW TO TRY TO WORK OUT THE SPECIFIC DETAILS OF A SEPARATE PEACE SETTLEMENT--ASSUMING BOTH SADAT AND BEGIN FIND A SEPARATE APPROACH OF GREAT INTEREST. NEITHER WOULD THE U.S. HAVE TO CONTINUE IN SUCH A SIGNIFICANT DEGREE, THE TIME AND EFFORTS PRESENTLY DEVOTED TO A MIDDLE EAST PEACE SETTLEMENT. WE COULD RELAX AND SHARE IN THE CREDIT FOR THE ACCOMPLISHMENT OF A SIGNIFICANT STEP TOWARD PEACE.

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(D) THE AGREEMENT COULD WELL PUSH THE OTHER ARABS TO SEE WHAT THEY COULD GET. WHILE WE DO NOT OVERESTIMATE ISRAEL'S PROPENSITY TO BE MAGNANIMOUS, THERE IS A VERY OUTSIDE CHANCE THAT THE OTHER ARABS, OVER TIME AND AFTER REFLECTION, WOULD SETTLE ON TERMS FAR LESS ONEROUS TO ISRAEL THAN THE 1967 BOUNDARIES, IF WE WERE PREPARED TO PUSH THEM AND ISRAEL INTO SOMETHING AFTER A SEPARATE PEACE WITH EGYPT.

IN OPPOSITION:

(A) WE BELIEVE THE LIKELY REACTION OF SOME OF THE ARABS MOST CONCERNED, PARTICULARLY THE MEMBERS OF THE PLO AND THE SYRIANS, BUT FOLLOWED AS WELL BY MOST PALESTINIANS, WOULD BE TOWARD RADICALISM. THIS WOULD MEAN A TURNING TO THE MORE WIDESPREAD USE OF FORCE NOT ONLY IN ISRAEL, BUT ALSO IN THE ARAB WORLD AGAINST MODERATE LEADERS, AS A WEAPON TO LASH OUT A SEPARATE AGREEMENT. ANY PREDICTION OF THE RESULTS IS A TRICKY PROSPECT. SADAT, HUSSEIN, AND POSSIBLY EVEN ASAD AND

ARAFAT WOULD ALL PERSONALLY BE VULNERABLE. ISRAEL WOULD CONTINUE AS A TARGET, BUT WE CAN SEE A SERIOUS STEP UP IN PALESTINIAN INSPIRED AND LED ACTIONS IN SOUTH LEBANON WHICH COULD BRING IN THE ISRAELIS FREQUENTLY TO RETALIATE. IN SHORT, THERE WOULD STILL BE INSTABILITY IN THE AREA, INCLUDING THE RISK OF MILITARY HOSTILITIES, EVEN IF THE MILITARY BALANCE WAS HEAVILY IN ISRAEL'S FAVOR.

(B) SYRIA WOULD BE A KEY FACTOR AS ALWAYS. ASAD, TO PRESERVE HIS POSITION, WOULD, AS HE IS IN PART DOING NOW, SWERVE LEFT. IF A SYRIAN PATCH-UP WITH IRAQ IS NOT POSSIBLE NOW, IT MIGHT BE UNDER THE CIRCUMSTANCES OF A SEPARATE AGREEMENT. SYRIA'S CAPACITY TO WAGE
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AGGRESSIVE WAR AGAINST ISRAEL WOULD NOT BE INCREASED MARKEDLY FOR SOMETIME, BUT IT IS NOT INCONCEIVABLE THAT SYRIA'S NEED FOR MORE ARMAMENT WOULD INCREASE INITIALLY OUT OF A DESIRE TO IMPROVE ITS DEFENSE CAPABILITY IN THE FACE OF THE DANGERS TO IT INHERENT IN THE EXPECTED ISRAELI RIPOSTES TO PALESTINIAN ACTIONS IN SOUTH LEBANON AND ELSEWHERE. EVENTUALLY, ADDITION OF IRAQI FORCES MIGHT MAKE ASAD MORE ADVENTURESOME. THE SOVIETS WOULD PROVIDE THE EQUIPMENT. WE BELIEVE THE SAUDIS, AS THEY DID BEFORE AND AFTER 1973, WOULD CONTINUE TO PAY FOR IT, PERHAPS SOMEWHAT MORE WILLINGLY THAN AT PRESENT. ASAD MAY NOT WANT A CLOSER RELATIONSHIP WITH THE SOVIETS, BUT HIS OPTIONS WILL BE RESTRICTED. THE SOVIET CAPACITY FOR MEDDLING AND TO REPOLARIZE THE AREA WOULD BE ENHANCED.

(C) JORDAN WOULD BE PUT UNDER ENORMOUS PRESSURE BY SYRIA AND IRAQ TO FOLLOW SUIT AND JOIN A NEW EASTERN FRONT. EGYPT, THE ISRAELIS AND THE U.S. COULD BE EXPECTED TO TRY TO PUSH JORDAN TOWARD SOMETHING LIKE A FUNCTIONAL SOLUTION ON THE WEST BANK AS A NEXT STEP. UNLESS SUCH A STEP COULD BE DEMONSTRATED AS LEADING TO A GUARANTEED RETURN TO THE ARABS OF TERRITORIAL SOVEREIGNTY ON THE BULK OF THE WEST BANK/GAZA TERRITORY, THE JORDANIAN REGIME WOULD CONTINUE TO BE THREATENED BY SYRIA AND THE PLO, WITH THE SUPPORT OR ACQUIESCENCE OF A LARGE PORTION OF JORDAN'S ONE MILLION PALESTINIAN RESIDENTS TO STAY OUT OF NEGOTIATIONS. THE KING'S MANEUVER ROOM WOULD DISAPPEAR AND INTERNAL INSTABILITY WOULD PICK UP. ARMY REPRESSION IN RETURN IS LIKELY. JORDAN WOULD CONTINUE SEEKING SOME VIA MEDIA WITH SAUDIS AND GULF STATES. ECONOMIC DEVELOPMENT IN JORDAN, ECONOMIC LIFE AND PROGRESS FOR THE PALESTINIAN REFUGEES WOULD BE SET BACK WITH AN INCREASED RADICALIZATION OF PALESTINIANS AND A MORE EXTENSIVE POLARIZATION OF EAST BANK AND WEST BANK ORIGIN POPULATION IN PRESENT JORDANIAN TERRITORY.

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KD) THE SAUDIS WILL BE KEY ACTORS. WE DO NOT BELIEVE ON THE BASIS OF OUR PAST, BUT LIMITED, EXPERIENCE, THAT THE SAUDIS WOULD RESTRICT MASSIVELY THEIR AID EITHER TO EGYPT, THE SYRIANS OR THE NEW PLO RADICALS. IN EACH CASE, INCREASED AID SERVES SAUDI PURPOSES EITHER OF PLACATING THE RADICAL INTIMIDATORS OR SUPPORTING THE MODERATES. WHILE THE SAUDIS HAVE ENORMOUS POTENTIAL TO AFFECT THE SITUATION, WE DO NOT SEE THEM AS EXERTING SUCH POTENTIAL IN A VIGOROUS MANNER. ONE EXCEPTION IS POSSIBLE. WE DISCOUNT THE POSSIBILITY OF AN OIL EMBARGO IN THE EARLY TERM (THE SAUDIS ARE MASSIVELY DEPENDENT ON THE PARTIES MOST AFFECTED BY AN EMBARGO--THE U.S. AND WESTERN EUROPE--FOR ARMS AND DEVELOPMENT TECHNOLOGY) WE DO NOT DISCOUNT HOWEVER THE POSSIBILITY OF SOME KIND OF SAUDI ECONOMIC "GUERRILLA WAR" IN WHICH OIL SUPPLIES WOULD BE RESTRICTED ON AN ESCALATING BASIS FOR A NUMBER OF "TECHNICAL REASONS" EACH ONE OF WHICH WOULD BE FULLY PLAUSIBLE, BUT THE EFFECT OF WHICH WOULD BE TO MAKE CLEAR THROUGH A PRICE PINCH THAT THE U.S. WAS EXPECTED (A) EITHER TO OPPOSE THE SEPARATE AGREEMENT, OR (B) MORE LIKELY TO PUT INCREASED U.S. PRESSURE ON ISRAEL TO DELIVER SIMILAR AGREEMENT TO THE PALESTINIANS AND SYRIA IN ORDER TO CURB RADICALIZATION AND FINISH THE SETTLEMENT. THIS WOULD OF COURSE BE AT A TIME WHEN WE MIGHT EXPECT SOME SOVIET TACIT OPPOSITION TO A PEACE (IN FAVOR OF EXPANDING ITS OWN INTERESTS) AND WHEN EGYPT COULD NO LONGER BE COUNTED UPON TO HELP IN THE PROCESS. FURTHERMORE, WE EXPECT THE EUROPEANS, WITH THEIR HEAVY DEPENDENCE ON MIDDLE EASTERN OIL, TO OBJECT STRENUOUSLY TO A U.S. ACQUIESCENCE IN ANY SEPARATE AGREEMENT THAT THREATENED TO DAMAGE EUROPEAN ECONOMIC INTERESTS.

(E) SOVIET INTERESTS HAVE BEEN MENTIONED EARLIER.

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WHILE WE BELIEVE THE SOVIETS WOULD WISH TO AVOID THE DANGER OF WAR AND A FULL SCALE CONFRONTATION WITH US, THE SEPARATE PEACE COULD EFFECTIVELY REMOVE THEM FROM THE PEACE-MAKING PROCESS, A DEVELOPMENT FOR WHICH THEY WOULD HOLD US PRIMARILY RESPONSIBLE. IT WOULD ALSO OPEN TO THEM ONCE AGAIN AN OPPORTUNITY THEY HAVE NOT ENJOYED SINCE THE EARLY 1970'S OF EXPANDING THEIR FOOTHOLD AND INFLUENCE IN THE AREA, IN LARGE PART AT U.S. EXPENSE. SYRIA, LEBANON, JORDAN, AND THE PALESTINIANS WOULD BE INITIAL TARGETS, WITH CONSOLIDATION IN IRAQ AND LIBYA TO ACCOMPANY THE MOVE. THE PRICE IN SYRIA MIGHT WELL BE MORE SOVIET BASES AND GREATER SOVIET POLITICAL INFLUENCE INTERNALLY AND IN FOREIGN AFFAIRS.

(F) THE U.S. WOULD FACE SOME STARK CHOICES. TO THE EXTENT WE HELPED ENGINEER AND SUPPORT THE AGREEMENT IN THE EYES OF THE SAUDIS, WE MIGHT ENGENDER A STEPPED UP PACE OF ECONOMIC GUERILLA WARFARE AS DESCRIBED ABOVE, PERHAPS ACCOMPANIED BY INCREASED PRESSURE ON THE DOLLAR. THERE WOULD BE A NEW POLARITY DEVELOPED IN THE AREA, LINKING EGYPT, ISRAEL AND THE U.S. AGAINST A RADICAL BLOC LINKED TO THE SOVIETS. JORDAN AND THE SAUDIS WOULD COME UNDER HEAVY PRESSURE IN THE MIDDLE. THE PALESTINIANS WOULD PROBABLY CONTINUE DEPRIVED OF THEIR RIGHTS WHICH WE NOW SUPPORT. ISRAEL WOULD BE ABLE TO HOLD ON TO THE MOST IMPORTANT (FOR IT) OCCUPIED TERRITORIES IN A SITUATION WHERE OUR OWN CAPACITY TO EFFECT NEGOTIATIONS AND THEIR OUTCOME WOULD BE VASTLY DIMINISHED. WE COULD LOOK TO A GREAT DEAL MORE INSTABILITY IN THE AREA, AND THE COURSE OF EVENTS WOULD MOVE ALMOST FULLY OUT OF OUR CONTROL AND INTO THE HANDS OF THE DISPUTACIOUS AND FRACTIONOUS ELEMENTS AMONG THE RADICALS WHO WOULD SEEK TO IMPOSE THEIR IDEAS WITH GUNS. TERRORISM, HIJACKING AND ASSASSINATIONS COULD WELL BECOME MORE IMPORTANT IN DETERMINING AFFAIRS AND U.S. ECONOMIC AND BUSINESS INTERESTS WOULD SUFFER. SAUDI ARABIA MIGHT WELL, IF IT CHOSE TO PLAY A MIDDLE GAME, ALSO COME
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UNDER THE PRESSURE OF THE USE OF MORE VIOLENCE AGAINST ITS LEADERS.

6. WHILE MUCH OF THIS REFLECTS THE "CONVENTIONAL WISDOM" PREVALENT IN THE AREA NOW, WE HAVE ALSO TRIED TO LOOK AT "COUNTERVAILING FACTORS" IN PARA. 17; CONTRARY TO THE ASSERTION IN PARA. 19, WE DO NOT BELIEVE THEY COME CLOSE TO COUNTER-BALANCING THE "CONVENTIONAL WISDOM" FACTORS IN PARA. 16 REGARDING THE SERIOUS DANGERS TO AREA STABILITY AND U.S. INTERESTS OF A SEPARATE PEACE.

(A) WE BELIEVE THE SAUDIS WOULD BE CAREFUL TO THE EXTENT POSSIBLE IN BOTH AVOIDING A BREAK WITH EGYPT AND ANTAGONIZING THE RADICALS. HOWEVER WE FEEL THE END RESULT COULD BE SUPPORT FOR BOTH, WHICH WOULD WORK MORE IN FAVOR OF THE RADICALS. AFTER ALL, THE SAUDI RECORD IN FINANCIAL SUPPORT OF THE PLO IS SELF-EVIDENT. WE DO NOT BELIEVE THAT UNDER THREAT OF GREATER INTIMIDATION AND WITH QUIET SAUDI UNHAPPINESS WITH EGYPT THE RADICALS COULD BE CONTROLLED BY THE SAUDIS. (IN THIS CONNECTION, WE QUESTION THE ASSERTION IN PARA. 13 THAT AN ARAB WORLD SPLIT ON EGYPT-REJECTIONIST LINES WOULD HAVE FAR MORE TROUBLE IN ORGANIZING A CONSENSUS FOR ACTION TO HURT THE U.S. WE BELIEVE ECONOMIC RETALIATION OF SOME SORT WOULD STILL BE POSSIBLE BY EVEN THE MODERATE OIL PRODUCING ARABS AGAINST ALL OIL CONSUMERS.) IN ADDITION, SOVIET AID TO THE RADICALS COULD REPLACE SAUDI HELP.

(B) THE SYRIANS WILL BE IN A DIFFICULT POSITION,
BUT WE DO NOT SEE SAUDI RESTRAINING INFLUENCE AS BEING EFFECTIVE
IN A CASE WHERE THE SAUDIS MAY HAVE SOME SYMPATHY
WITH SYRIA. IF SADAT STIRS UP TROUBLE IN LEBANON
(AND HIS CAPACITY TO DO SO IS LIMITED)
IT WILL ONLY INCREASE ASAD'S DEPENDENCE ON THE SOVIETS FOR ARMS
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AND SUPPLIES. SINCE THE ISRAELIS ARE NOT INCLINED TO OFFER
ANYTHING ON THE GOLAN, WE DO NOT SEE THE SYRIAN ARMED FORCES
FORCING ASAD INTO A DEAL ON THE GOLAN.

(C) THE SOVIETS WILL ATTEMPT TO AVOID A MAJOR WAR
(BUT NOT ATTRITION BATTLES AND TERRORIST ATTACKS WHICH INCREASE
THE PRESSURE ON US AND ON ISRAEL). WE THINK THEIR QUIET
SUPPORT FOR A REJECTIONIST FRONT IS HIGHLY LIKELY,
INDEED THEY MIGHT WELL TAKE AN EVEN MORE FORWARD POSITION
IF THEY FELT THEY HAD THE U.S. ON THE DEFENSIVE AND
COULD AVOID AT THE SAME TIME A MAJOR CONFLICT.

7. CONTRARY TO PARA. 23 REFTTEL, WE DO NOT AGREE THAT
SADAT HAS "AT LEAST A 50-50 CHANCE" OF "WEATHERING THE
STORM" -- OR AT LEAST WE BELIEVE SADAT'S PERSONAL
WEATHERING OF THE STORM IS SOMEWHAT IRRELEVANT TO THE
CENTRAL QUESTION OF THE ARAB WORLD WEATHERING THE
STORM. WHILE WE DEFER TO OTHERS REGARDING WHETHER OR
NOT SADAT COULD RETAIN POWER INTERNALLY, WE BELIEVE THE
RISK OF INSTABILITY IN OTHER PARTS OF THE ARAB WORLD
AND OF HARM TO U.S., EUROPEAN, AND JAPANESE INTERESTS
WOULD BE A KEY FACTOR AND ONE WHICH SADAT HIMSELF SEEMS
INCLINED TO UNDERESTIMATE. WE ARE STRUCK BY THE DEGREE
TO WHICH SADAT AND EGYPT HAVE GROWN APART AND PERHAPS
OUT OF TOUCH WITH THE EASTERN ARAB WORLD IN RECENT
MONTHS, PARTLY BECAUSE SADAT HAS BEEN HEAVILY PRE-
OCCUPIED WITH EGYPT'S SERIOUS INTERNAL SITUATION. WE THEREFORE
BELIEVE IT EXTREMELY DANGEROUS FOR THE U.S. TO RELY
EXCLUSIVELY ON SADAT'S ASSESSMENTS AS IS ADVISED IN THE
ASSERTION IN PARA. 23: "WE SHOULD TAKE A CHANCE ON IT (A
SEPARATE PEACE) IF SADAT IS WILLING TO."

8. WE BELIEVE HOWEVER THAT NOT ONLY THE INTERNAL
EGYPTIAN, BUT ALSO THE PAN-ARAB SCENARIO IS VITALLY
DEPENDENT ON THE ABILITY OF SADAT, AS STATED IN PARA.
9 OF REFTTEL, TO SHOW THAT HE HAS RECEIVED CONCESSIONS
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FROM ISRAEL THAT ARE MEANINGFUL IN A PAN-ARAB CONTEXT.
WE BELIEVE THE U.S. WOULD HAVE TO BE INSTRUMENTAL IN SECURING
SUCH CONCESSIONS. WE AGREE WITH CONCLUSION IN PARA. 20 THAT UNDER
SUCH CONDITIONS, IT IS POSSIBLE TO IMAGINE THAT SADAT COULD

CARRY A GOOD PORTION OF THE ARAB WORLD, INCLUDING SAUDIA ARABIA AND THE MODERATE PALESTINIANS. THIS WOULD BE THE "MOMENT OF TRUTH" FOR SYRIA AND THE PLO MODERATES AND, UNDER SUCH CIRCUMSTANCES, WE ACKNOWLEDGE THAT THE THREAT OF AN EGYPTIAN-ISRAELI AGREEMENT, COUPLED WITH THE POSSIBILITY OF A JORDANIAN-WEST BANK-ISRAELI AGREEMENT COULD BECOME AN ACTIVE ELEMENT IN BRINGING SYRIA AROUND TO NEGOTIATIONS. IF PROPERLY EXPLAINED, IT COULD ACHIEVE SUFFICIENT POPULAR SUPPORT IN THE ARAB WORLD SERIOUSLY TO UNDERCUT AND DIMINISH THE EFFECTIVENESS OF THE RADICAL ARAB OPPOSITION. THE KEY OF COURSE IS ISRAELI WILLINGNESS TO MAKE TANGIBLE CONCESSIONS WHICH SADAT COULD SELL TO THE OTHER ARABS. CONVERSELY, WE AGREE WITH THE ASSERTION IN PARA. 15 THAT ISRAEL WOULD BE UNDER LITTLE INCENTIVE TO WITHDRAW FROM GOLAN AND THE WEST BANK AFTER CONCLUDING A SEPARATE PEACE WITH EGYPT.

9. REGARDING KEY PARA. 24 ON U.S. RECOMMENDATIONS FOR U.S. POSTURE, WE STILL BELIEVE OUR BEST COURSE IS TO CONTINUE TO PRESS FOR A GENEVA COMPREHENSIVE SETTLEMENT. WE ACKNOWLEDGE THAT THREAT OF A SEPARATE PEACE MAY HAVE POSITIVE BENEFITS IN SOFTENING SYRIAN AND SOVIET POSITIONS REGARDING COMPROMISES WITH ISRAEL. (SADAT'S PEACE OFFENSIVE IS ALSO GENERALLY VIEWED AS STRENGTHENING PRESIDENT CARTER'S HAND IN PERSUADING ISRAEL TO MAKE CONCESSIONS TO ARABS.) HOWEVER, SINCE WE DO NOT BELIEVE THE CONSEQUENCES OF A SEPARATE PEACE ARE ACCEPTABLE TO U.S. INTERESTS, WE BELIEVE WE MUST TAKE A MORE ACTIVE SECRET

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EFFORT THAN REFTEL PROPOSES, TO ATTEMPT TO INSURE THAT EGYPT-ISRAELI NEGOTIATIONS EVENTUALLY FOLD INTO COMPREHENSIVE ONES. EVEN IF WE ARE DESCRIBING AS LONG A PROCESS AS A ONE-YEAR TIME ENVELOPE FOR CURRENT SEPARATE EGYPT-ISRAELI NEGOTIATIONS, WE THINK WE SHOULD FORCEFULLY MAINTAIN OUR POSITION ON NEED FOR COMPREHENSIVE PEACE FROM NOW ON. FRANKLY, THERE WILL BE SUFFICIENT DOUBT IN THE ARABS' MINDS CONCERNING THE ADMINISTRATION'S ABILITY TO CARRY CONGRESS AND THE AMERICAN PUBLIC, PLUS ISRAEL AND EGYPT ON THIS ISSUE, THAT THE FEAR OF A SEPARATE DEAL WILL STILL BE WITH THEM. TO SIGNAL IN ANY WAY A WEAKENING OF OUR DESIRE FOR A COMPREHENSIVE PEACE AT THIS TIME AND FOR THE FORSEEABLE FUTURE COULD WELL STRENGTHEN SUPPORT FOR NEGOTIATIONS FOR A SEPARATE PEACE SUFFICIENTLY EVEN TO ACCELERATE THE DISRUPTIVE RESULTS OF SUCH A PROCESS WE HAVE DESCRIBED. THE ADMINISTRATION HAS SUCCESSFULLY CONVINCED MUCH OF THE ARAB WORLD OF OUR DESIRE FOR A FAIR AND COMPREHENSIVE PEACE. OUR POSTURE REGARDING THE ONGOING NEGOTIATIONS WILL BE VIEWED IN THAT LIGHT. IT IS DIFFICULT TO SPELL OUT THE MODALITIES OR TIME FRAME OF OUR EFFORTS, BUT SOME PROOF OF UNFLAGGING U.S. COMMITMENT TO A COMPREHENSIVE

SETTLEMENT AND OF HELPING TO ACHIEVE COMPROMISES IN BOTH THE ARAB AND ISRAELI POSITIONS, WE BELIEVE, WILL BE REQUIRED TO PRESERVE PEACE AND U.S. INTERESTS IN THE MIDEAST. EVEN IN THE SAD EVENT THE U.S. IS UNABLE BECAUSE OF FORCES BEYOND OUR POWERS EVENTUALLY TO BRING OFF A COMPREHENSIVE SETTLEMENT, IT DOES NOT LOGICALLY FOLLOW THAT WE WOULD BE REQUIRED TO BLESS A SEPARATE EGYPTIAN-ISRAELI AGREEMENT, SHOULD IT OCCUR ON ITS OWN. TO COMMIT OURSELVES AT THIS TIME TO SUCH A CONTINGENCY STRATEGY (WHICH WE HOPE REFTEL DOES NOT NECESSARILY FULLY IMPLY) WOULD BE UNNECESSARY AND EXTREMELY DANGEROUS, WITHOUT WEIGHING MORE CAREFULLY THE CONSEQUENCES.

10. SUGGEST DEPARTMENT REPEAT CAIRO, DAMASCUS, JIDDA AND TEL AVIV. PICKERING

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From: STATE
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t197712111/baaaaeuog.tel
Line Count: 510
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, TEXT ON MICROFILM
Message ID: b0f35dfc-c188-dd11-92da-001cc4696bcc
Office: ORIGIN NODS
Original Classification: SECRET
Original Handling Restrictions: NODIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 10
Previous Channel Indicators:
Previous Classification: SECRET
Previous Handling Restrictions: NODIS
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 16-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 119107
Secure: LOCK1
Status: NATIVE
Subject: ON A SEPARATE PEACE
TAGS: PINT, PINR, EG, IS, XF
To: CAIRO DAMASCUS MULTIPLE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/b0f35dfc-c188-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009